

**GENERAL ASSEMBLY OF NORTH CAROLINA
SESSION 2011**

**SESSION LAW 2011-164
SENATE BILL 8**

AN ACT TO REMOVE THE CAP ON CHARTER SCHOOLS; TO ALLOW STATE BOARD OF EDUCATION DISCRETION IN GRANTING FINAL APPROVAL OF CHARTER SCHOOL APPLICATIONS; TO RAISE THE ENROLLMENT GROWTH CAP TO TWENTY PERCENT; TO PERMIT CHARTER SCHOOLS TO CHARGE FEES CHARGED BY THE LOCAL SCHOOL ADMINISTRATIVE UNIT; TO STRENGTHEN THE STANDARDS FOR RETAINING A CHARTER FOR A CHARTER SCHOOL; AND TO REQUIRE THE STATE BOARD OF EDUCATION TO REPORT TO THE GENERAL ASSEMBLY ON CHARTER SCHOOLS.

The General Assembly of North Carolina enacts:

SECTION 1. G.S. 115C-238.29D(a) reads as rewritten:

"(a) The State Board ~~shall~~ may grant final approval of an application if it finds that the application meets the requirements set out in this Part or adopted by the State Board of Education and that granting the application would achieve one or more of the purposes set out in G.S. 115C-238.29A. The State Board shall act by March 15 of a calendar year on all applications and appeals it receives prior to February 15 of that calendar year."

SECTION 2.(a) G.S. 115C-238.29D(b) is repealed.

SECTION 2.(b) G.S. 115C-105.37B(a)(2) reads as rewritten:

"(a) Notwithstanding any other provision of this Article, the State Board of Education is authorized to approve a local board of education's request to reform any school in its administrative unit which the State Board of Education has identified as one of the continually low-performing schools in North Carolina.

If the State Board of Education approves a local board of education's request to reform a school, the State Board of Education may authorize the local board of education to adopt one of the following models in accordance with State Board of Education requirements:

- ...
- (2) Restart model, in which the State Board of Education would authorize the local board of education to operate the school with the same exemptions from statutes and rules as a charter school authorized under Part 6A of Article 16 of this Chapter, or under the management of an educational management organization that has been selected through a rigorous review process. A school operated under this subdivision remains under the control of the local board of education, and employees assigned to the school are employees of the local school administrative unit with the protections provided by G.S. 115C-325. ~~This subdivision shall not be interpreted to increase the maximum number of charter schools provided in G.S. 115C-238.29D(b). No school authorized under this subsection shall count against the limit provided for charter schools in G.S. 115C-238.29D(b).~~"

SECTION 3. G.S. 115C-238.29D(d) reads as rewritten:



"(d) The State Board of Education may grant the initial charter for a period not to exceed 10 years and may renew the charter upon the request of the chartering entity for subsequent periods not to exceed 10 years each. The State Board of Education shall review the operations of each charter school at least once every five years to ensure that the school is meeting the expected academic, financial, and governance standards.

A material revision of the provisions of a charter application shall be made only upon the approval of the State Board of Education.

It shall not be considered a material revision of a charter application and shall not require the prior approval of the State Board for a charter school to increase its enrollment during the charter school's second year of operation and annually thereafter (i) by up to ~~ten~~twenty percent ~~(10%)~~(20%) of the school's previous year's enrollment or (ii) in accordance with planned growth as authorized in the charter. Other enrollment growth shall be considered a material revision of the charter application, and the State Board may approve such additional enrollment growth of greater than ~~ten~~twenty percent ~~(10%)~~(20%) only if the State Board finds that:

- (1) The actual enrollment of the charter school is within ten percent (10%) of its maximum authorized enrollment;
- (2) The charter school has commitments for ninety percent (90%) of the requested maximum growth;
- (3) The board of education of the local school administrative unit in which the charter school is located has had an opportunity to be heard by the State Board of Education on any adverse impact the proposed growth would have on the unit's ability to provide a sound basic education to its students;
- (4) The charter school is not currently identified as low-performing;
- (5) The charter school meets generally accepted standards of fiscal management; and
- (6) It is otherwise appropriate to approve the enrollment growth."

SECTION 4. G.S. 115C-238.29F(b) reads as rewritten:

"(b) School Nonsectarian. – A charter school shall be nonsectarian in its programs, admission policies, employment practices, and all other operations and shall not charge tuition or ~~fees.~~ fees, except that a charter school may charge any fees that are charged by the local school administrative unit in which the charter school is located. A charter school shall not be affiliated with a nonpublic sectarian school or a religious institution."

SECTION 5. G.S. 115C-238.29G is amended by adding a new subsection to read:

"(a1) The State Board shall adopt criteria for adequate performance by a charter school and shall identify charter schools with inadequate performance. The criteria shall include a requirement that a charter school which demonstrates no growth in student performance and has annual performance composites below sixty percent (60%) in any two years in a three-year period is inadequate.

- (1) If a charter school is inadequate in the first five years of the charter, the charter school shall develop a strategic plan to meet specific goals for student performance that are consistent with State Board criteria and the mission approved in the charter school. The strategic plan shall be reviewed and approved by the State Board. The State Board is authorized to terminate or not renew a charter for failure to demonstrate improvement under the strategic plan.
- (2) If a charter school is inadequate and has had a charter for more than five years, the State Board is authorized to terminate or not renew the charter."

SECTION 6. The State Board of Education shall submit a preliminary report and a final report to the General Assembly on the implementation of this act, including (i) the creation, composition, and function of an advisory committee; (ii) the charter school application process; (iii) a profile of applicants and the basis for acceptance or rejection; and

(iv) resources required at the State level for implementation of the charter school laws in Part 6A of Article 16 of Chapter 115C of the North Carolina General Statutes. The preliminary report shall be submitted by May 10, 2012, and the final report shall be submitted by June 11, 2012.

SECTION 7. This act becomes effective July 1, 2011.

In the General Assembly read three times and ratified this the 13th day of June, 2011.

s/ Walter H. Dalton
President of the Senate

s/ Dale R. Folwell
Speaker Pro Tempore of the House of Representatives

s/ Beverly E. Perdue
Governor

Approved 5:09 p.m. this 17th day of June, 2011